

THE INFLUENCE OF EMPLOYEE INTERACTION AND WORK ENVIRONMENT ON EMPLOYEE PERFORMANCE THROUGH JOB SATISFACTION

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Abstract

This study is to determine and analyse the mainstreaming of Employee Interaction, Work Environment, and Job Satisfaction as mediating variables on employee performance at the Office of Highways and Spatial Planning of Central Sulawesi Province. The type of research used is quantitative research. The population in this study amounted to 188 with the number of respondents 65 employees with *purposive sampling* technique using the slovin formula. The analytical tool used in this research is *Partial Least Square* (PLS) 3.0. Data collection using questionnaires via *google forms*. The results showed that (1) Employee interaction has a positive and significant effect on employee performance. (2) The work environment has a positive and significant effect on employee performance. (3) Employee interaction has a positive and significant effect on employee job satisfaction. (4) Work environment has a positive and significant effect on employee job satisfaction. (5) Job satisfaction has a positive and significant effect on employee performance. (6) Employee interaction indirectly has a positive and significant effect on employee performance through job satisfaction. (7) The work environment indirectly has a positive and significant effect on employee performance through job satisfaction in employees of the Office of Highways and Spatial Planning of Central Sulawesi Province.

Keywords: *Interaction, Environment, Satisfaction, Performance, Partial Least Square*

INTRODUCTION

The role of Human Resources (HR) is very important in development goals as referred to in Law No. 5 of 2014 concerning State Civil Apparatus in article 11 regarding the duties of State Civil Apparatus Employees, namely to carry out public policies made by the Staff Supervisory Officer in accordance with the provisions of laws and regulations, provide professional, quality services and strengthen the unity and integrity of the Unitary State of the Republic of Indonesia. Human resources in an agency have an important role, because without the support of good human resources an agency will be able to face problems to achieve its vision. In order to achieve goals, an agency wants the performance of its employees. Performance can be described as a capacity that employees have to get the results they want to get, in getting the desired results, of course a positive work attitude is needed from employees. Therefore, it is hoped that agencies can make a regulation of a management system by paying attention to several factors that influence the work attitude of employees to achieve the goals of an agency itself.

According to Ghozali (2017) performance is a condition that must be known and informed to certain parties to determine the level of achievement of an agency's results in relation to the vision carried out by an organisation, as well as knowing the positive and negative impacts of an operational policy taken. Meanwhile, according to Mangkunegara (2016, p. 67) performance is the result of work both in quality and quantity achieved by a person in carrying out tasks according to the responsibilities given. Employee performance is the result of work achieved by someone both in terms of quantity and

quality. Employee performance is related to the ability to carry out their duties properly or not.

Employee performance is influenced by several factors, namely work environment, culture, quality of work life, work discipline, motivation, interaction, communication, compensation, position, leadership, job satisfaction, training, and many others (Wahyuddin in Mahardikwanto, 2013). All of these factors will affect according to the facts that occur, there are those that have a dominant effect and those that have no dominant effect. In order to realise the vision and mission of the organisation, of course, there must be good cooperation between leaders and employees and among fellow employees. But in practice, in the company there are still interaction problems that cause miss communication between colleagues. Social interaction problems found by the author at the Office of Highways and Spatial Planning of Central Sulawesi Province in the form of individualist attitudes seen from senior employees to junior employees, where the lack of communication between them so that misunderstandings often occur (misscom).

The initial phenomenon found, based on the results of preliminary observations of interviews with one of the old employees (senior), employees are required to be independent and able to work alone with initiative, old employees are not required to direct the work of their juniors who are still adapting to new jobs, because before working new employees have been given directions regarding the duties of the State Civil Apparatus. Senior employees believe their juniors can do their work by themselves over time without needing help. In addition, one new employee with the initials (K, 2023) also stated that senior employees do not care if their juniors have difficulties with the new tasks assigned. New employees are reluctant to ask questions, due to poor response. As a result, mistakes often occur when working. This causes discomfort at work, because of the interaction that is less friendly and not conducive. The phenomenon based on the results of observations through interviews with Mr (IM, 2023) explained that in the field the condition of the employee's work environment at the Office of Bina Marga and Spatial Planning of Central Sulawesi Province which is located on the axis road, causing noise. In addition, the workspace given to employees is quite narrow, where the room consists of several employees so that it makes the employee's space narrow, and the layout of the goods in the room is not well organised because of the large amount of data that has accumulated, making the room less neat, and other disturbing things that can affect the comfort of employees working in the office, but do not interfere with employee work. For example, the cleanliness inside the workspace looks clean, but outside the workspace there are leaves scattered due to falling leaves.

In addition to the physical work environment, the non-physical work environment is also of concern to researchers. The non-physical work environment is the relationship with superiors, relationships with co-workers, or relationships with subordinates. Supervision carried out at the Central Sulawesi Provincial Bina Marga and Spatial Planning Office is very strict in supervising employee working hours, due to regulations from superiors (Head of the Central Sulawesi Provincial Bina Marga and Spatial Planning Office), while the atmosphere of employee work in the room looks stiff between employees who have been working at the agency for a long time with new employees, because it is focused on the work given by superiors to employees so that employees do not have much time to get to know each other more closely. Based on the description above, there is no consistency in the variables to be studied, therefore the researcher is interested in testing employee interactions and the work environment on employee performance using job satisfaction variables as intervening variables. The workload felt by employees at work is getting bigger, one of which is due to the benefits provided by agencies that do not meet the expectations of employees. The existence of interactions, work environment and job satisfaction obtained from the agency will greatly affect employee performance.

Based on this description, the objectives of this study are (1) To determine and analyse the effect of employee interaction on employee performance. (2) To determine and analyse the effect of work environment on employee performance. (3) To determine and analyse the effect of employee interaction on job satisfaction. (4) To determine and analyse the effect of work environment on job satisfaction. (5) To determine and analyse the effect of job satisfaction on employee performance. (6) To determine and analyse the role of job satisfaction in mediating the effect of employee interaction on employee performance. (7) To determine and analyse the role of job satisfaction in mediating the effect of work environment on employee performance at the Office of Highways and Spatial Planning of Central Sulawesi Province.

RESEARCH METHODS

Framework

~~I am running a few minutes late; my previous meeting is running over.~~

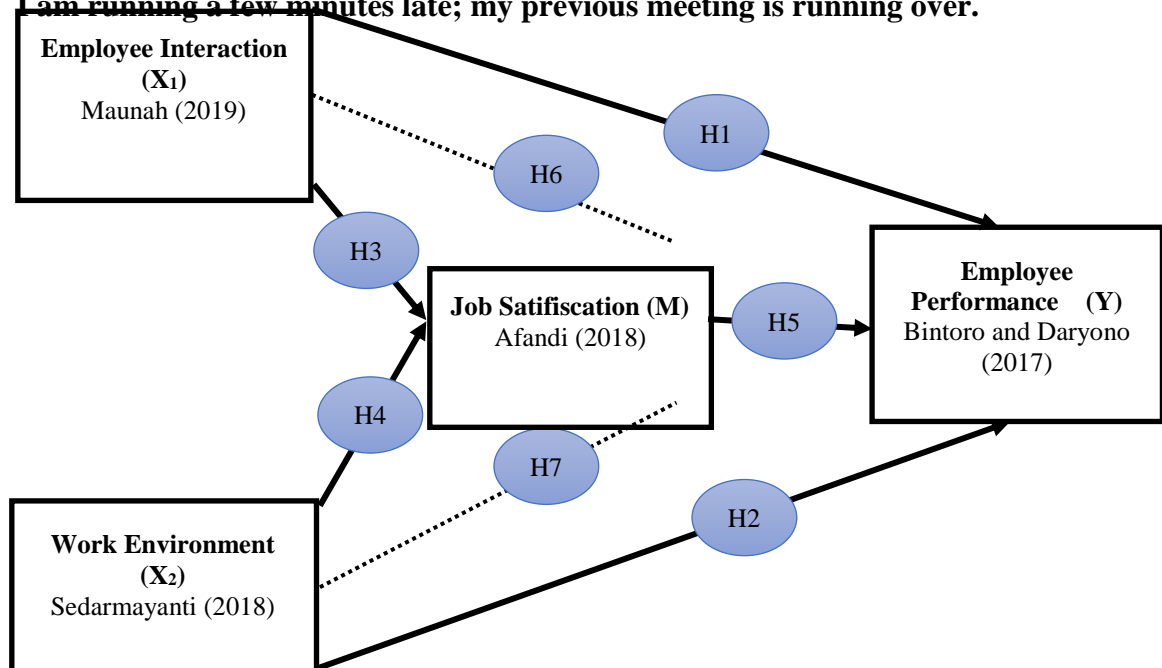


Figure 1. Research framework

Description:

- > : Direct effect
- > : Indirect effect

Based on the description above, the hypotheses of this study are:

1. Employee interaction has a positive and significant effect on employee performance at the Office of Highways and Spatial Planning of Central Sulawesi Province.
2. The work environment has a positive and significant effect on employee performance at the Office of Highways and Spatial Planning of Central Sulawesi Province.
3. Employee interaction has a positive and significant effect on job satisfaction at the Office of Highways and Spatial Planning of Central Sulawesi Province.
4. The work environment has a positive and significant effect on job satisfaction at the Office of Highways and Spatial Planning of Central Sulawesi Province.
5. Job satisfaction has a positive and significant effect on employee performance at the Office of Highways and Spatial Planning of Central Sulawesi Province.
6. Employee interaction indirectly has a positive and significant effect on employee performance through job satisfaction at the Office of Highways and Spatial Planning of Central Sulawesi Province.

7. Work environment indirectly has a positive and significant effect on employee performance through job satisfaction at the Office of Highways and Spatial Planning of Central Sulawesi Province.

This type of research is descriptive research with a quantitative approach. Quantitative research methods, as stated by (Sugiyono, 2022). ‘Descriptive statistics are used to analyse data by describing or describing the data that has been collected as it is without intending to make conclusions that apply to the public or generalisation’.

This research was conducted at the Office of Highways and Spatial Planning of Central Sulawesi Province with 65 (Sixty Five) employees. The sampling technique in this study was purposive sampling using the Slovin formula. The data collection technique used was a questionnaire with a Likert scale. The data analysis technique used is using Partial Least Square (PLS) analysis as statistical analysis with SmartPLS 3.0 software. The analysis techniques carried out are as follows: 1. Outer Model Analysis, 2. Inner Model Analysis, and Hypothesis Testing.

The variables in this study amounted to 4 variables consisting of: 2 independent variables, 1 dependent variable, and 1 mediating variable.

1. Free Variable (independent)

- a. Employee Interaction

According to Maunah (2019) Social interaction is a dynamic reciprocal social relationship, which involves relationships between individual people, between groups of people, or between people and human groups. Social interaction can be interpreted as a dynamic social relationship. The social relationship in question can be in the form of a relationship between one individual and another, between one group and another, or between a group and an individual.

- b. Work Environment

According to Wibowo (2016) states that, the creation of a healthy environment will indirectly maintain or even increase productivity. The work environment can have a negative impact, one of which is the interaction between employees which can trigger conflicts and problems at work, but the positive impact is the achievement of dynamic performance due to adjustments to challenges in the internal and external organisational environment due to the influence of globalisation. In the work environment, each employee is required to be able to carry out work in accordance with the position held and can adapt to the environment and co-workers who have different characters.

2. Dependent Variable (dependen)

According to Hasibuan (2017), performance is a result of the work achieved by a person in carrying out his duties on skills, effort and opportunity. Based on the explanation above, performance is a result that a person achieves in carrying out tasks based on skills, experience and seriousness and time according to predetermined standards and criteria. Meanwhile, according to (Mangkunegara, 2016) that performance (work performance) is the result of work in quality and quantity achieved by an employee in carrying out his duties in accordance with the responsibilities given to him. the definition of performance is the result of a particular job function or activity over a period of time (Sedarmayanti, 2018). Performance is an attitude that each individual shows in real terms as a form of work results in accordance with their duties and roles in the organization.

3. Mediating Variable

According to Hasibuan (2017), job satisfaction is a state of mind in which someone enjoys and loves their job. This approach appears in morale, discipline, and work results at work. The search for happiness at work can occur both inside and outside the office. Meanwhile, according to Isyandi (2014), job satisfaction is a feeling that can make someone happy at work or help them achieve their work goals. Based on some of the opinions of the experts above, it can be concluded that job satisfaction is a

pleasant or unpleasant feeling felt by employees directly and affects emotions, behavior at work, and work results.

RESULTS AND DISCUSSION

1. Results

Hypothesis testing is carried out to prove the validity of research conjectures or hypotheses. The results of the data processing carried out in this study can be used to answer the hypothesis in this study. Hypothesis testing in this study was carried out to see the T-statistic and P-values. The research hypothesis can be declared accepted if the P-values < 0.05 otherwise > 0.05 the hypothesis is rejected. A hypothesis is accepted if the T-statistic value > 1.96 , and vice versa, a hypothesis is rejected if the T-statistic value < 1.96 .

In the SmartPLS version 3.0 program, the results of the direct effect hypothesis test can be seen through the Path Coefficients Bootstrapping technique. The test results for direct influence are as follows table 1:

Table 1. Results of Direct and Indirect Effects

Relationship between constructs	Original Sample (O)	Sample Mean (M)	Standart Deviation (STDEV)	T Statistics (O/STDEV)	P Values	Description
X1 -> Y	0,586	0,607	0,090	6,489	0,000	Significant
X2 -> Y	0,563	0,556	0,143	3,931	0,000	Significant
X1-> M	0,264	0,283	0,110	2,388	0,017	Significant
X2-> M	0,600	0,599	0,082	7,280	0,000	Significant
M -> Y	0,504	0,552	0,184	2,743	0,006	Significant
X1 -> M -> Y	0,356	0,367	0,157	2,274	0,023	Significant
X2 -> M -> Y	0,302	0,334	0,127	2,381	0,018	Significant

Source: Data, processed (2024)

2. Discussion

1. Hypothesis Testing 1 (Employee Interaction -> Employee Performance)

The results of testing the first hypothesis show that the effect of employee interaction variables on employee performance shows a path coefficient value of 0.586 and a T-statistic value of 6.489 with a P value of 0.000. The P value is smaller than α (0.05) and the T-statistic value is greater than the T-table, namely (1.96). These results show that employee interaction has a positive and significant effect on employee performance, which means it is in accordance with the first hypothesis where employee interaction has a positive and significant effect on employee performance at the Office of Highways and Spatial Planning of Central Sulawesi Province. This means that Hypothesis 1 is accepted. This means that the more positive/positive the social interaction of an employee, the higher the employee's performance, but the lower/negative the social interaction of an employee, the lower the performance. The results of this study are supported by research conducted by (Darma, et al., 2023) showing that social interaction has a positive and significant effect on employee performance.

2. Hypothesis Testing 2 (Work Environment -> Employee Performance)

The results of testing the second hypothesis show that the effect of work environment variables on employee performance shows a path coefficient value of 0.563 and a T-statistic value of 3.931 with a P value of 0.000. The P value is smaller than α (0.05) and the T-statistic value is greater than the T-table, namely (1.96). This shows that the work environment has a positive and significant effect

on employee performance, which means it is in accordance with the second hypothesis, where the work environment has a positive and significant effect on employee performance at the Office of Highways and Spatial Planning of Central Sulawesi Province. This means that Hypothesis 2 is accepted. A comfortable work environment causes the level of employee concentration at work to increase, and these conditions cause the level of employee productivity to increase, where the work environment is one of the factors that affect employee performance. These results are in accordance with the results of Amelia and Ratnawili's research (2023) that the work environment has a positive and significant effect on employee performance.

3. Hypothesis Testing 3 (Employee Interaction -> Job Satisfaction)

The results of testing the third hypothesis show that the effect of employee interaction variables on job satisfaction shows a path coefficient value of 0.264 and a T-statistic value of 2.388 with a P value of 0.017. The P value is smaller than α (0.05) and the T-statistic value is greater than the T-table, namely (1.96). This shows that employee interaction has a positive and significant effect on job satisfaction, which means it is in accordance with the third hypothesis, where employee interaction has a positive and significant effect on job satisfaction. This means that Hypothesis 3 is accepted. Job satisfaction is a feeling and attitude of employees towards work, conditions, work situations, interactions and individual roles in the work environment related to the needs to be achieved with the existing reality. So to achieve the success of a goal that has been agreed upon, job satisfaction must be very concerned for the development of the agency, because the more satisfied the employees are with the work they do, the better the work results and the positive response for employees related to the needs to be achieved with the existing reality.

Based on the results of the research previously described, that employee interaction has a relationship with job satisfaction. Thus it can be assumed that the higher the interaction between employees, the higher the job satisfaction felt by employees towards their cooperation. Therefore, job satisfaction will be realized if the interactions provided between fellow employees really meet expectations. On the other hand, if social interaction is low, not in accordance with employee expectations, it will certainly cause disappointment and dissatisfaction in carrying out their work. This is supported by research conducted by Dhohir, et al., (2024), which states that social interaction has a positive and significant effect on job satisfaction.

4. Hypothesis Testing 4 (Work Environment -> Job Satisfaction)

The results of testing the fourth hypothesis show that the effect of work environment variables on job satisfaction shows a path coefficient value of 0.600 and a T-statistic value of 7.280 with a P value of 0.000. The P value is smaller than α (0.05) and the T-statistic value is greater than the T-table, namely (1.96). This shows that the work environment has a positive and significant effect on job satisfaction, which means it is in accordance with the fourth hypothesis, where the work environment has a positive and significant effect on job satisfaction. This means that Hypothesis 4 is accepted. From these results it can be concluded that the better the work environment occupied by an employee, the higher the level of employee job satisfaction. The results of this study are supported and reinforced by the research of Yushro, et al., (2022), stating that the work environment has a positive and significant effect on job satisfaction.

5. Hypothesis Testing 5 (Job Satisfaction -> Employee Performance)

The results of testing the fifth hypothesis show that the effect of the job satisfaction variable on employee performance shows a path coefficient value of 0.504 and a T-statistic value of 2.743 with a P Value of 0.006. The P value is smaller than α

(0.05) and the T-statistic value is greater than the T-table, namely (1.96). This shows that job satisfaction has a positive and significant effect on employee performance, which means it is in accordance with the fifth hypothesis, where job satisfaction has a positive and significant effect on employee performance at the Office of Highways and Spatial Planning of Central Sulawesi Province. This means that Hypothesis 5 is accepted.

The impact of job satisfaction is that the higher the job satisfaction of an employee, the higher the employee's performance, not only the good of individuals or all employees but also has a positive impact on the agency. In addition, the attitude of sportive superiors and supportive coworkers is also the second highest category after the benefits and salaries provided. The higher the salary given in accordance with the amount of work, the well-established interaction between fellow employees, the many opportunities to follow career development, shows that more employees have good performance because they get validation for the efforts that are always made to achieve the target or goal of the agency. An agency that is able to provide conducive work environment conditions for its employees is an initial form of creating job satisfaction which ultimately results in more optimal employee performance. So it can be concluded that job satisfaction can affect employee performance. This is in accordance with the results of research by Onsardi et al., (2021) and Dhohir, et al., (2024) which state that job satisfaction and performance have a positive and significant effect, meaning that the higher the satisfaction received by employees, the higher the employee performance.

6. Hypothesis Testing 6 (Employee Interaction indirectly affects employee performance through job satisfaction)

The results of testing the sixth hypothesis show that the indirect effect of employee interaction variables on employee performance through job satisfaction shows a path coefficient value of 0.356 and a T-statistic value of 2.274 with a P Value of 0.023. The P value is smaller than α (0.05) and the T-statistic value is greater than the T-table, namely (1.96). This shows that employee interaction indirectly has a positive and significant coefficient value on employee performance through job satisfaction, which means it is in accordance with the sixth hypothesis, where employee interaction indirectly has a positive and significant effect on employee performance through job satisfaction at the Office of Highways and Spatial Planning of Central Sulawesi Province. This means that Hypothesis 6 is accepted. Job satisfaction is an important goal in human resource management because it will directly or indirectly affect work results. Job satisfaction arises when employees have gotten something they need according to their desires. Job satisfaction depends not only on salary, but also on social relations between fellow employees. This means that interaction can directly affect employee performance but indirectly the interaction between employees and good superiors will lead to employee job satisfaction in an agency so that employee performance will also increase.

7. Hypothesis Testing 7 (Work environment indirectly affects employee performance through job satisfaction)

The results of testing the seventh hypothesis show that the effect of work environment variables indirectly on employee performance through job satisfaction shows a path coefficient value of 0.302 and a T-statistic value of 2.381 with a P value of 0.000. The P value is smaller than α (0.05) and the T-statistic value is greater than the T-table, namely (1.96). This shows that the work environment indirectly has a positive and significant coefficient value on employee performance through job satisfaction, which means it is in accordance with the seventh hypothesis, where the work environment indirectly has a positive and significant effect on employee performance through job satisfaction at the Office of Highways and Spatial Planning of Central Sulawesi Province. This means that Hypothesis 7 is

accepted. Job satisfaction can mediate the work environment on employee performance, judging from the facts that occur at the Office of Highways and Spatial Planning of Central Sulawesi Province, the work environment also plays an important role in creating employee job satisfaction, leaders need to create a more family-like and conducive atmosphere in the work environment so that employee satisfaction is maintained at the agency and can improve performance so that the achievement of work targets is in accordance with agency standards. The results of this study are in line with previous research conducted by Hanafi, et al., (2017). This means that when the work environment is made as comfortable as possible and makes employees feel satisfied, the employees will provide higher performance, but when the work environment is not in accordance with the expectations of the employees, the performance will be mediocre.

CONCLUSION

Based on the research results, data analysis and discussion that have been described, the conclusions in this study can be drawn, namely as follows: Employee interaction has a positive and significant effect on employee performance. The work environment has a positive and significant effect on employee performance. Employee interaction has a positive and significant effect on job satisfaction. Work environment has a positive and significant effect on job satisfaction. Job satisfaction has a positive and significant effect on employee performance. Employee interaction indirectly has a positive and significant effect on employee performance through job satisfaction. The environment indirectly has a positive and significant effect on employee performance through job satisfaction in employees at the Office of Highways and Spatial Planning of Central Sulawesi Province.

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